

S T O L L | K E E N O N | & | P A R K | L L P

2650 AEGON CENTER | 400 WEST MARKET STREET | LOUISVILLE, KENTUCKY 40202-3377
(502) 568-9100 PHONE | (502) 568-5700 FAX | WWW.SKPCOM

C. KENT HATFIELD
502-568-5745
Kent.Hatfield@skp.com

RECEIVED

JUN 1 2005

PUBLIC SERVICE
COMMISSION

May 31, 2005

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky

Re: Supplemental Filing, 2005-00073

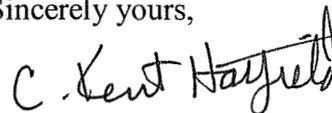
Dear Ms. O'Donnell:

Enclosed please find a copy of the May 19, 2005 letter from Mr. Jim Welch, Director, Public Service Commission Division of Engineering, with attached Comprehensive Inspection Report prepared by Earl H. Alderman, Jr., Gas Utility Investigator, concerning Cow Creek Gas, Inc. ("Cow Creek"). The letter and report reflect that Cow Creek Gas, one of the gas utilities owned and operated by Jerome A. Kanney and Dennis L. Rohrer, had no deficiencies during its most recent inspection.

We call the Commission's attention to this information and tender it as additional evidence that Mr. Kanney and Mr. Rohrer, who are joint applicants in this matter, possess the technical, financial, and managerial capacity to own and operate Sigma Gas Corporation, and that the transfer of control to Joint Applicants is in the public interest.

If you have any questions, or desire additional information, please call the undersigned.

Sincerely yours,



C. Kent Hatfield
Deborah T. Eversole



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

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JUN - 1 2005

PUBLIC SERVICE
COMMISSION

May 19, 2005

Mr. Jerome A Kanney
Cow Creek Gas, Inc.
P. O. Box 3385
Pikeville, KY 41502

RE: Natural Gas Facilities Inspection of Cow Creek Gas, Inc. ("Cow Creek")

Dear Mr. Kanney:

On April 19 and May 11, 2005, Mr. Earl H. Alderman, Jr. conducted a comprehensive safety inspection of the natural gas facilities of Cow Creek in Floyd County, Kentucky. A copy of a report of that inspection is attached for your review. There were no deficiencies found during the comprehensive inspection. The previous inspection of Cow Creek was April 2002. During that inspection, one deficiency was found and corrected.

Please review the enclosed inspection report. If you have any questions or need additional information, please contact Mr. Alderman at (502) 564-3940. This closes the inspection for 2005 and no additional correspondence is necessary.

We appreciate your continued interest in the safe operation of your natural gas facilities.

Sincerely,

Jim Welch
Director
Division of Engineering

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Attachment

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
COMPREHENSIVE INSPECTION REPORT

COW CREEK GAS, INC.
Floyd County, Kentucky

May 19, 2005

BRIEF

Mr. Earl H. Alderman, Jr. conducted a comprehensive inspection of the natural gas facilities of Cow Creek Gas, Inc. ("Cow Creek ") in Floyd County, Kentucky on April 19 and May 11, 2005. This inspection was conducted in accordance with the Public Service Commission's ("PSC") policy of inspecting all jurisdictional operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495, 278.992 and also through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the federal pipeline safety laws, 49 U.S.C. § 60101 et seq. and regulations promulgated thereunder.

INSPECTION

Cow Creek is a gas distribution system operating in Floyd County, Kentucky, and serves approximately 75 customers.

A review was made of Cow Creek's Operating and Maintenance, Emergency, Damage Prevention, Operator Qualification, and Anti-Drug and Alcohol Misuse Plans during the office portion of the inspection. Also during the office visit, records were reviewed concerning the leak survey, system patrolling, odorization, valve maintenance, and regulator and relief valves.

Report – Cow Creek Gas, Inc.
May 19, 2005
Page 2

During the field inspection, checks were made on main line valves and residential meter settings. Ms. Jami Chaney assisted me on this inspection.

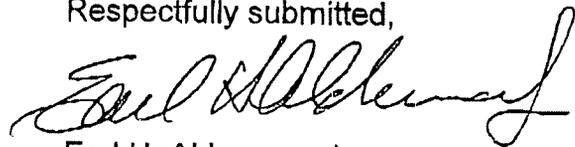
Deficiencies noted during this inspection will be further discussed in the findings section of this report.

FINDINGS AND RECOMMENDATIONS

No deficiencies were found during the inspection of Cow Creek. Therefore, it is recommended that a copy of this report be sent to Cow Creek for its information.

It is also recommended that in order to safely operate a natural gas system, maintenance personnel must have training on the safe and proper ways to respond to leakage calls and also how to handle gas in an emergency. This training is available through the Kentucky Gas Association. Further information on the Kentucky Gas Association training seminars may be obtained by contacting Dr. Paul Lyons, Kentucky Gas Association, 92 Chestnut Street, Murray, Kentucky 42071, (270) 753-2151 or (800) 455-9427, email: itskga@idd.net, web address: <http://www.kygas.org>.

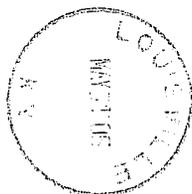
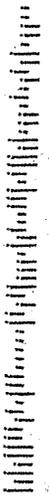
Respectfully submitted,



Earl H. Alderman, Jr.

Gas Utility Investigator *gus*

EHA:dcp
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PUBLIC SERVICE
COMMISSION

FROM

STOLL, KEENON & PARK, LLP

ATTORNEYS AT LAW
2650 AEGON CENTER • 400 WEST MARKET STREET
LOUISVILLE, KENTUCKY 40202-3377

TO

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601-8294

